GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1850
ANSWERED ON:26.07.2002
PRIVATISATION OF BANKS
PRABHA RAU;SUSHIL KUMAR SAMBHAJIRAO SHINDE;VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

-

(a) whether the Government have decided to bring down public ownership in the public sector banks to 33 percent;

(b) if so, the reasons therefore;

(c) whether some banks have already diluted the Government`s holding by issuing fresh equity to public;

(d) if so, the details of the fresh equity issued by the public sector banks during the last two years and the amount raised therefrom; and

(e) to what extent the Government`s holding in these banks has been diluted as a result thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIANANTG. GEETE)

(a) &(b): Yes, sir. It is proposed to amend Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 with a view to modifying the stipulation oi minimum prescribed Government shareholding in nationalised banks from 51% to 33Â°/ to enable nationalised banks to raise capital from market without affecting their public sector character. Accordingly, Banking Companies (Acquisition and Transfer o1 Undertakings) and FinancialInstitutions Amendment Bill, 2000 was introduced in Lok Sabha in December, 2000 which has been referred to Standing Committee on Finance.

(c),(d),(e) : A list containing the names of banks who have so far gone for public issue, details of fresh equity, details of amount raised and extent to which Government`s shareholding has been diluted in these banks is given in the Annexure.